

5 Keston Avenue
Mosman
Sydney
NSW
2088

23/05/12

Dear Sir

Proposed reforms to LAFHA benefits

Following the budget and the announcement of reforms to the LAFHA benefits it is particularly unclear as to how this will affect us in the short term. The announcement seemed to imply that there would be a transitional period for people with existing arrangements of 2 years.

Through reading articles by various commentators it seems that this will only apply to Australians living in Australia and not to 457 visa holders working away from their home country.

If this is the case I consider this as basic **discrimination** which would not be tolerated in higher profile issues and particularly under a labour government.

I ask for a response on this point.

I wrote in February in response to the consultation paper and my points still stand and my letter is attached again.

It is of some concern that the period between a very unclear announcement and implementation is apparently going to be less than 2 months and we still do not have clarity from the government itself.

Perhaps the government could make a clear announcement regarding this to bring clarity.

I also find it particularly disturbing that the government is prepared to do this at such short notice in the knowledge that it will be particularly disruptive to families, children and their schooling when the tenor of present government policies is all about care of families and their children.

I therefore ask that the discrimination in the application of this legislation is resolved, clarity is provided by the government and reasonable notice is given on any implementation.

Yours faithfully



James McLean

5 Keston Avenue
Mosman
Sydney
NSW 2088

02/02/12

Dear Sir

Comments Regarding Proposals for LAFHA Reforms Contained in Consultation Paper of November 2011

I write to comment on the proposals to reform the LAFHA from July 2012. My circumstances are that I moved from the UK to Sydney in April 2011 with my wife and two children. I am a highly experienced structural engineer sponsored by my company under a 457 visa as my skills are required here and could not be filled by local labour.

My understanding is the LAFHA was set up to ease the financial burden of setting up home in Australia over a 3 year period. In this respect, we have had a high initial outlay to provide essentials such as a car and white goods etc. Added to that is the ongoing cost of rental accommodation in what is widely acknowledged to be one of the most expensive cities in the world. Here in Sydney, I rent the equivalent of the home I left in the UK, however the rental is 60% of my salary without LAFHA benefit, which is very high. This is eased by the tax relief to about 50%, which makes a big difference.

Also, in New South Wales we are required to pay school fees for our children to attend public school. This means that the cost of living is significantly more expensive than it is in the UK. Therefore I would argue that LAFHA is an appropriate benefit that provides some relief from the initial financial demands I have outlined.

It could be argued that the high rents are inflated due to the existence of LAFHA and a significant migrant workforce; however the sudden withdrawal of the benefit will see us suffer as rental prices will not respond immediately.

I also note that there was an example of a very highly paid individual claiming relief on a large element of rent. This seems inappropriate and I would have thought there should be a cap on the entitlement based on earnings. In addition there should be some indexing based on the location in Australia as rental prices vary considerably.

Perhaps you should trial a withdrawal for new visa applicants in order to get some direct feedback on the willingness of people to choose to bring their skills to live and work in an otherwise prohibitively expensive country, following withdrawal of the tax incentive.

To conclude I would argue that the LAFHA is appropriate to assist the transition to Australia due to the high cost of living and should not be withdrawn.

Yours faithfully

A handwritten signature in black ink, appearing to read "James McLean". The signature is written in a cursive style with a long horizontal stroke at the end.

James McLean